GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:6213
ANSWERED ON:05.05.2000
TAXATION OF ESOP`S
SURESH RAMRAO JADHAV (PATIL)

Will the Minister of FINANCE be pleased to state:

(a) whether the confederation of Indian Industries (CII) has submitted a proposal to the Governmentregarding taxation off employee stock option plans (ESOPs) which envisages a levy of income tax at thetime of sale of the option with the tax liability being split into two parts - perquisite and capital gains;

(b) if so, the reaction of the Government on the proposal; and

(c) the time by which a decision is likely to be taken in the matter?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE

(V. DHANANJAYA KUMAR)

(a) Yes, Sir.

(b) The issue has been duly considered by the Government.

(c) The Government`s response ins reflected through Government amendments to the Finance Bill, 2000 movedin this session of Parliament.